

“Keynesian” v. “Hayekian” *Ideal-types*

The below attempts to capture the major debates in economic policy using *ideal-types*. It should be noted that ideal-types necessarily simplify the thought of both Keynes and Hayek (and their followers), but it is hoped that the heuristic can help to provide insight into the debate.

	Ideal Social Institutions	Ideal Resource Allocation	Ideal Monetary Process	Ideal Response to Business (Trade) Cycles	Cause of Systemic Risk
"Keynesian"	planned	mixed economy	central authority	stimulus & "bailouts"	lack of regulation
"Hayekian"	emerged	private economy	competing currencies	bankruptcy & reallocation	regulation